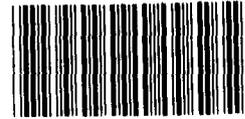




Comptroller General  
of the United States

Washington, D.C. 20548

B-241514.11



144690

August 20, 1991

To the President of the Senate and the  
Speaker of the House of Representatives

On June 28, 1991, the President submitted to the Congress his fifth special impoundment message for fiscal year 1991. This message revises the amounts of two deferrals and reports two proposed rescissions of budget authority. We have reviewed the deferrals and found them to be in accordance with the Impoundment Control Act, 2 U.S.C. § 681, et seq., as amended. We have also reviewed the proposed rescissions as required by the Act and have the following comments.

Proposal Number R91-28 proposes rescissions totalling \$115,000,000 from funds appropriated to the Economic Development Administration for economic development assistance programs to partially offset supplemental funding requirements of the Disaster Relief account of the Federal Emergency Management Agency. Proposal number R91-29 proposes rescinding \$427,000,000 from funds appropriated to the Department of Housing and Urban Development for annual contributions for assisted housing.<sup>1/</sup> This rescission is also proposed to partially fund a supplemental appropriation for FEMA.

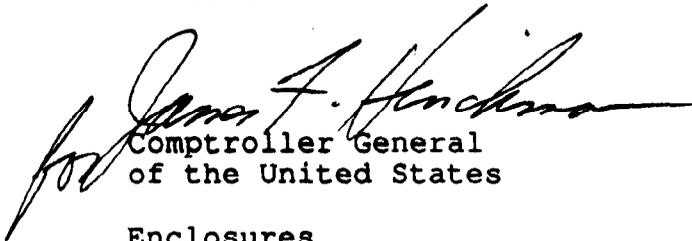
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<sup>1/</sup> A rescission in this account, R91-20, totalling \$500,000,000 was proposed by the President on February 28, 1991 in his third special impoundment message. Under the Impoundment Control Act funds made available for obligation under rescission procedures may not be proposed for rescission again. 2 U.S.C. § 683(b). Pursuant to section 1012(b) of the Impoundment Control Act, the funds were made available for obligation on May 13, 1991. See GAO/OGC-91-10, B-241514.9, May 31, 1991. However, the funds currently proposed for rescission in R91-29 do not seem to involve the same budget authority previously released. R91-20 sought to rescind funds allocated to construction of new and rental public housing, whereas the current proposal involves funds allocated (by Public Law 101-507) to certificates, vouchers for public housing relocation, assistance for property disposition and opt-out certificates.

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According to OMB officials, however, notwithstanding the formal rescission proposals, funds for both these accounts are not being withheld from obligation by either HUD or EDA. Officials in both agencies have confirmed that these funds are being obligated as needed. This is significant, particularly with regard to EDA, because its budget authority consists of annual funds the availability of which expires on September 30, 1991. Section 1012(b) of the Act requires that funds proposed for rescission be made available for obligation unless the Congress completes action on a rescission bill within the 45-day period of continuous congressional session following the day such proposals are received by the Congress. For the rescissions proposed in the fifth special message, we have calculated the 45-day period to end on Saturday, September 28, 1991, 2 days before the end of fiscal year 1991. This could result in insufficient time to obligate the funds before they expire. However, the fact that the funds are not being withheld and are available for obligation lessens that risk.

Enclosure I provides specific information on one of the deferrals, which we believe will be useful to the Congress in its examination of the message. Enclosure II provides a list of the deferrals and rescission proposals as reported by the President.

  
Comptroller General  
of the United States

Enclosures

**COMMENTS ON THE FIFTH SPECIAL MESSAGE****FUNDS APPROPRIATED TO THE PRESIDENT**

<u>D91-1C</u>	International Security Assistance Economic Support Fund Amount Deferred: \$2,943,659,386 <u>111/21037</u> <u>110/11037</u> <u>11X1037</u> <u>1111037</u>
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The latest apportionment statements for these accounts show total budgetary resources of \$4,462,526,788 and not \$4,337,080,588 as shown in the message. According to the latest apportionment statements for these accounts the amount deferred is \$589,196,458 and not \$2,943,659,386 as reported in the message. This change reflects subsequent releases of funds from these accounts.

**CONTENTS OF SPECIAL MESSAGE**  
**(in thousands of dollars)**  
 (as reported by the President)

<u>RESCISSION NO.</u>	<u>ITEM</u>	<u>BUDGET AUTHORITY</u>
	<b>Department of Commerce:</b>	
	<b>Economic Development Administration:</b>	
R91-28	Economic development assistance programs.....	115,000
	<b>Department of Housing and Urban Development:</b>	
	<b>Housing Programs:</b>	
R91-29	Annual contributions for assisted housing.....	427,000
	<b>Total rescissions.....</b>	<b>542,000</b>
<u>DEFERRAL NO.</u>	<u>ITEM</u>	<u>BUDGET AUTHORITY</u>
	<b>Funds Appropriated to the President:</b>	
	<b>International Security Assistance:</b>	
D91-1C	Economic support fund.....	2,943,659
	<b>Department of Health and Human Services:</b>	
	<b>Social Security Administration:</b>	
D91-5A	Limitation on administrative expenses.....	7,317
	<b>Total deferrals.....</b>	<b>2,950,976</b>